Department of Justice

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"GIRLS GONE WILD" FOUNDER JOSEPH FRANCIS PLEADS GUILTY IN SEXUAL EXPLOITATION CASE

Joseph Francis Agrees to Pay \$500,000 Fine

WASHINGTON – Joseph Francis, founder, CEO and sole shareholder of two California companies doing business under the name "Girls Gone Wild," has pleaded guilty to charges that he failed to create and maintain age and identity documents for performers in sexually explicit films produced and distributed by Girls Gone Wild, as required by federal law, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Francis entered the guilty plea yesterday before U.S. District Judge Margaret Morrow at U.S. District Court in Los Angeles. Santa Monica-based Mantra Films, Inc., which is owned and operated by Francis, entered a plea agreement on Sept. 12, 2006, at U.S. District Court in Panama City, Fla. A second related company, MRA Holdings, Inc., also entered a deferred prosecution agreement the same day.

Sentencing is scheduled for Dec. 18, 2006, at 1:15 p.m.

Francis pleaded guilty to two counts filed under a law—often referred to as Section 2257—passed by Congress to prevent the sexual exploitation of children. The law protects against the use of minors in the production of sexually explicit material by requiring producers to create and maintain age and identity records for every performer. Producers and distributors must then label their products with the name of the custodian of the records and their location.

Under the agreements, Francis agreed to pay the maximum fine of \$500,000, and his two companies agreed to pay an additional sum of \$1.6 million in fines and restitution. Francis, Mantra, and MRA Holdings will make a public acknowledgment of criminal wrongdoing and agreed to fully comply with the record-keeping laws going forward. MRA Holdings also agreed that for three years it will employ an independent, outside monitor selected by the government and provide the monitor complete access to the books and records, production facilities and other locations required to ensure the company's compliance with federal law relating to the production of visual materials under the name Girls Gone Wild, or any other name. In statements filed in court yesterday, Francis admitted that Girls Gone Wild, acting under his direction, filmed performers engaging in sexually explicit conduct and produced and distributed sexually explicit video materials during all of 2002 and part of 2003 while violating the record keeping and labeling laws.

In May 2006, Attorney General Alberto R. Gonzales, pursuant to "Project Safe Childhood," asked the Federal Bureau of Investigation (FBI) to begin conducting regular inspections of records kept by producers of sexually explicit materials pursuant to Title 18, U.S.C., Section 2257. Producers are required to keep records on performers to include true name

and date of birth and to produce these records on demand. These regulations and resulting inspections are designed to prevent producers from hiring minors as performers, and carry criminal penalties for violations.

The Los Angeles case is being prosecuted by Brent D. Ward, Director of the Justice Department's Obscenity Prosecution Task Force, with assistance from the U.S. Attorney's Office in the Northern District of Florida. The Obscenity Prosecution Task Force was formed to focus on the prosecution of adult obscenity nationwide. Investigation of the cases was conducted by the Adult Obscenity Squad of the FBI, which is based in Washington, D.C.

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